



CITY OF HOUSTON

Sylvester Turner

Mayor

P.O. Box 1562
Houston, Texas 77251-1562

Telephone – Dial 311
www.houstontx.gov

September 3, 2020

The Honorable Eddie Lucio III
Chair, House Insurance Cmte
P.O. Box 12428
Austin, Texas 78711

Dear Chairman Lucio,

The City of The City of Houston, Human Resources Benefits Department would like to comment on the House Committee on Insurance requests regarding Interim Charge 1 related to House Bill 2536, which requires reporting by drug manufacturers, PBMs and health insurers regarding increasing transparency of drug pricing in the marketplace and the delivery of drugs such as insulin. HB 2536 also requires the Executive Commissioner shall develop an internet website for access by the public to provide drug price information. The proposed website is to be located on the Health and Human Services Commission's website with a dedicated link prominently displayed on the home page. To-date, there is no such dedicated link available to the public. The goal of transparency intended in this legislation is not available to the public as promised. The City of Houston expressed concern with this bill in 2019 due to the additional costs incurred by the manufacturers, PBMs and health insurers as a result of excessive reporting, which will ultimately be passed down to the City and its covered employees. We ask that the House Committee on insurance investigate the availability of a prominent, dedicated link as intended in the legislation. Thank you for your consideration and immediate attention in this matter.

City of Houston, Human Resources Benefits Department
Contact:

Jocelyn Wright
611 Walker St., 4th Floor
Houston, TX 77002
Jocelyn.Wright@houstontx.gov
832.393.6121

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The Honorable Eddie Lucio III
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P.O. Box 12428
Austin, Texas 78711

Dear Chairman Lucio,

Senate Bill 1264 prohibits balance billing of the insureds by out-of-network (OON) providers for emergent services, facility-based services provided at in-network facilities by OON physicians (i.e., anesthesiologists) and OON lab/diagnostic imaging services related to in-network facilities. SB 1264 also provides for arbitration/mediation for payment/billing disputes between providers and health insurers covered by the TDI. SB 1264 is a very complicated bill that could cost the City a great deal of money, as there are penalties for the plan issuer and/or administrator that are affiliated with noncompliance in providing notifications to participants regarding prohibition of balance billing, disclosures regarding elective procedures, etc. The City will also be liable for the agreed upon balances owed in the Open Access Plan (OAP) and Consumer Driven High Deductible Plan (CDHP). SB 1264 is also ambiguous regarding the status of balance billing in cases of elective procedures when OON physicians provide services in in-network facilities. This needs to be clarified.

Thank you for your consideration of these comments.

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